

Threshold Regulatory Flexibility Act Analysis

Proposed Revisions to Forest Service Manual 2344.3, Campgrounds and Related Granger-Thye Concessions

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Background on the Regulatory Flexibility Act

The proposed directives would revise direction in Forest Service Manual (FSM) 2344.3. This provision imposes requirements on holders of Forest Service permits for campgrounds and related concessions involving government-owned improvements. Some of these permit holders are small entities.

The Regulatory Flexibility Act (RFA), 5 U.S.C. 602 *et seq.*, generally requires a Federal agency to prepare a regulatory flexibility analysis describing the impact of regulatory actions on small entities, unless the agency certifies that the rule will not have a “significant impact on a substantial number of small entities.”¹ The RFA acknowledges that small entities have limited resources and makes it the responsibility of the regulating agency to avoid burdening these entities unnecessarily. The RFA requires analysis of a rule’s economic impact on the small entities that will be subject to the rule’s requirements; rules that do not establish requirements applicable to small entities are thus not susceptible to RFA analysis.

After an agency begins regulatory development and determines that the RFA applies, the agency must decide whether to conduct a full RFA analysis or to certify that the proposed rule will not have a significant economic impact on a substantial number of small entities. The purpose of this analysis is to document the Forest Service’s certification that the proposed directives would not have a significant economic impact on a substantial number of small entities.

This analysis provides an assessment of the significance of the economic impacts on small entities, as well as the number of small entities that may experience an impact, based on the new requirements in the proposed directives. The proposed directives would have four potential economic impacts on campground concessioners. The proposed directives would (1) increase gross revenue by decreasing from 50 to 10 percent the discount on camping fees campground concessioners are required to give to holders of Golden Age and Golden Access Passports and Senior and Access Passes; (2) decrease gross revenue by requiring campground concessioners to offer a 10 percent discount to holders of Golden Age and Golden Access Passports and Senior and Access Passes at standard amenity recreation fee (SARF) day use sites; (3) decrease gross revenue by

¹ Small entities include small businesses (as defined by United States Small Business Administration size standards regarding the number of employees or annual receipts), small organizations (a “not-for-profit enterprise which is independently owned and operated and is not dominant in its field”), and small governments (a government of a city, county, town, school district or special district with a population of less than 50,000).

requiring campground concessioners to provide free use to holders of Annual and Volunteer Passes at SARF day use sites; and (4) for existing campground concessioners who elect to amend their permits to include the new requirements in the proposed directives, increase the land use fee for the remainder of their permit term if their gross revenue increases by more than \$10,000 from the reduction in the camping fee discount. This adjustment would maintain the market value of the land use fee by compensating for increases in revenue which were not taken into account when the land use fee was proposed.

Campground Concessions

Industry Characteristics

Forest Service regulations at 36 CFR part 251, subpart B, govern authorizations for occupancy and use of National Forest System (NFS) lands. The Forest Service issues special use authorizations for a variety of uses of NFS lands. The operation of government-owned campgrounds and related recreation sites is authorized under Section 7 of the Granger-Thye Act (16 U.S.C. 580d).

Campground concession permits are held by a variety of entities (primarily businesses and non-profit organizations) and individuals. Business sectors are classified by the United States Small Business Administration (SBA) using the North American Industry Classification System. This classification system is set out in 13 CFR 121.201 and provides revenue thresholds for what constitutes a small business in each sector. The sectors potentially affected by the proposed directives include:

- Sector 713, Recreation Industries
- Sector 813, Religious, Grantmaking, Civic, Professional, and Similar Organizations

Businesses in these sectors that generate \$7 million or less annually are classified as small entities.

Data on Forest Service campground concessions are based on entries in the agency's 2006 or 2007 Special Uses Database (SUDS). The data are summarized in Table 1. The data include records of approximately 128 permits for campgrounds and picnic grounds (use code 141) from Forest Service Regions 2, 3, 5, 6, and 8 and represent more than half of all Forest Service campground concession permits. Approximately 28 records did not involve campground concessions, did not have land use fee data, or were expired and were not used in this analysis. Of the 100 records remaining, there are 55 entities represented, and there are 13 entities that hold more than one permit.

Table 1 illustrates the range of annual land use fees paid for campground concession permits, the average percentage of total gross revenue represented by the land use fees in each bracket, the number of permits in each bracket, the associated estimated annual gross revenue based on land use fees proposed as a percentage of gross revenue, and the percentage of total permits represented by the number of permits in each bracket.

Approximately 43 percent of the permits generate annual gross revenue of less than \$105,000, and nearly 82 percent of the permits generate annual gross revenue of less than \$415,000. The Forest Service does not collect data on the revenue of business entities beyond the scope of the business being conducted under a special use authorization issued by the Forest Service. However, the agency estimates that 33 percent of campground concession permits are held by small business entities; 44 percent are held by businesses that may be small entities (their revenue generated from Forest Service concessions does not exceed \$7,000,000 annually), but are dominant in their field (two entities each hold approximately 20 percent of the permits in the sample inventory); 13 percent are held by large business entities (they do not qualify as small businesses because they are not independently owned and operated); and 10 percent are held by non-profit entities, public utilities, or State governments.

Table 1 – Campground Concession Permits

Annual Land Use Fees (in \$)	Average Percentage of Revenue¹	Number of Permits	Projected Annual Gross Revenue (in \$)²	Percentage of Total Permits
200,000 or more	20.0	5	1,000,000 or more	5
100,000 to 199,999	16.75	5	600,000 to 1,200,000	5
50,000 to 99,999	14.0	8	350,000 to 700,000	8
10,000 to 49,999	12.0	39	80,000 to 415,000	39
Less than 9,999	9.6	43	50,000 to 105,000	43
Insufficient data	NA	28	NA	NA
TOTAL		128		

¹ These figures show the average percentage of gross revenue represented by the land use fee.

² These figures are derived by dividing the land use fee by the average percentage of gross revenue.

The campground concession industry is seasonal in most national forests, and operations usually occur over a two-to-four-month period. Examples of States with short operating seasons include Colorado, Oregon, and Washington. However, campground concessions in a few locations, for example, in Florida, southern Arizona, and southern California, may operate year-round. Some campground concessioners also operate on county, State, or other Federal lands, and some have other types of businesses. No entities are excluded from the data set based on the amount of income they generate from use of NFS lands.

The Relationship of the Land and Water Conservation Fund Act and the Federal Lands Recreation Enhancement Act to Forest Service Campground Concessions

From its enactment in 1965 until its repeal in 2004, section 4 of the Land and Water Conservation Fund Act (LWCFA) (16 U.S.C. 460l-6a) established criteria for charging a

use fee for developed recreation sites on NFS lands. From 1996 until its repeal in 2004, the Recreational Fee Demonstration Program (Fee Demo) statute (Pub. L. No 104-134, § 315) provided separate, broader authority than the LWCFA for charging a use fee for developed recreation sites. Forest Service Campground Concessions are authorized under Section 7 of the Granger-Thye Act which does not address use fees charged by concessioners. However, as a matter of policy, until 2004, concessioners were authorized to charge fees for developed recreation sites only if the Forest Service could charge fees for those sites under the LWCFA (see FSM 2344.31).

In December 2004, the Federal Lands Recreation Enhancement Act (REA) (16 U.S.C. 6801-6814) supplanted the LWCFA and the Fee Demo statute as the sole recreation fee authority for the Forest Service. The Forest Service continued to utilize the same standards, now the criteria in REA, for determining whether both developed recreation sites managed by the Forest Service and concessioners were eligible for charging a use fee.

Additionally, the LWCFA established three passes: a lifetime pass for senior citizens and permanent residents, called the Golden Age Passport; a lifetime pass for citizens and permanent residents with a permanent disability under Federal law, called the Golden Access Passport; and an annual pass available to anyone, called the Golden Eagle Passport. The Golden Eagle Passport entitled the holder to free admission at Federal recreation sites where an entrance fee was charged. The Golden Age and Golden Access Passports entitled the holder to free admission at Federal recreation sites where an entrance fee was charged and a 50 percent discount on camping fees charged at Federal recreation sites. Forest Service directives at FSM 2344.31 also require concessioners to provide a 50 percent discount on camping fees to holders of Golden Age and Golden Access Passports.

REA replaced the Golden Eagle, Golden Age, and Golden Access Passports with the America the Beautiful–National Parks and Federal Recreational Lands Pass (Interagency Pass). The Interagency Pass consists of four passes: the Annual Pass, which replaced the Golden Eagle Passport; the Senior Pass, which replaced the Golden Age Passport; the Access Pass, which replaced the Golden Access Passport; and the new Volunteer Pass, for those who volunteer on Federal lands. REA provides that the Golden Eagle, Golden Age, and Golden Access Passports remain in effect under the terms under which they were issued, to the extent practicable, until they are lost, stolen, or expired.

REA prohibits the Forest Service from charging entrance fees, but authorizes the Forest Service to charge an SARF for recreation sites that meet certain criteria, including day use sites, and an expanded amenity recreation fee for campgrounds and other facilities that meet certain criteria. REA provides that the holder of an Interagency Pass, including Annual, Senior, Access, and Volunteer Passes, is entitled to free use at Forest Service recreation sites where an SARF is charged. Unlike the LWCFA, however, REA does not provide that the holder of a senior or disability pass is entitled to a 50 percent discount on camping fees charged at federal recreation sites. However, the participating agencies, including the Forest Service, elected to apply the 50 percent discount on camping fees

provided under the LWCFA to holders of Senior and Access Passes issued under REA at Federally operated recreation sites. Consistent with FSM 2344.31, since enactment of REA, the Forest Service has also continued to require concessioners to provide a 50 percent discount on camping fees to holders of Golden Age and Golden Access Passports and Senior and Access Passes.

Concessioners have raised 5 concerns regarding the 50 percent discount on camping fees: (1) REA does not require a camping fee discount for Senior and Access Passes; (2) a 50 percent discount is very steep and is not comparable to other discounts in the private sector; (3) the 50 percent discount is non-negotiable and thus cannot be used as a marketing tool to encourage off-peak use; (4) application of the 50 percent discount to holders of Senior and Access Passes is unreasonable in view of the growing number of senior citizens in the United States; and (5) the 50 percent discount requires concessioners to raise camping fees to compensate for the loss in revenue, thus increasing prices for non-seniors and discouraging a future generation of campers.

A converse problem has emerged with SARF day use sites that are operated as concessions. After enactment of REA, the Forest Service took the position that concessioners should not be required to provide free use at SARF day use sites to any Interagency Pass holders. There were several reasons for this policy, including the need to (1) maintain eligibility for the exemption from the Service Contract Act at 29 CFR 4.133(b) by not requiring concessioners to provide extensive free services; (2) honor the terms under which these concessions were offered; and (3) maintain the economic viability of concessions.

However, not requiring campground concessioners to honor Interagency Passes at SARF day use sites has resulted in misunderstanding by some Interagency Pass holders, who expect to have their passes honored at all SARF day use sites. The problem has created a dilemma for the Forest Service. The Agency believes that all pass holders should understand how their passes will be honored at campground concessions. Additionally, the Agency believes that holders of the Interagency Pass have a reasonable expectation that their passes will be honored at all SARF day use sites.

It would not be economically viable to require campground concessioners to provide free use to all Interagency Pass holders. Not only were these costs not anticipated when the applications for these concessions were submitted, but these requirements, in addition to the camping fee discount, would be detrimental to the economics of the campground concessions and could render many of them unviable. Furthermore, although camping fees are the primary source of revenue for most campground concessions, for some the primary source of revenue is SARF day use sites. Concessioners are concerned that the Agency will remove these sites from concessions to satisfy the expectations of Interagency Pass holders and thus eliminate viable business opportunities.

To address the economic impact of escalating senior pass use on concessions, to approximate the market rate for discounts, and to treat all holders of senior and disability passes the same, the Forest Service is proposing to reduce the camping fee discount

concessioners are required to offer holders of Golden Age and Golden Access Passports and Senior and Access Passes from 50 to 10 percent. To address the competing objectives of meeting expectations of Interagency Pass holders, while retaining the option to operate SARF day use sites as part of concessions, the Forest Service is also proposing to require concessioners to offer a 10 percent discount to holders of Golden Age and Golden Access Passports and Senior and Access Passes and free use to holders of Annual and Volunteer Passes at SARF day use sites.

Benefit of Reducing the Discount on Camping Fees at Campground Concessions From 50 to 10 Percent for Holders of Golden Age and Golden Access Passports and Senior and Access Passes

Based on 2007 data, the Agency estimates that reducing the discount on camping fees at campground concessions from 50 to 10 percent for holders of Golden Age and Golden Access Passports and Senior and Access Passes would increase overall revenue for campground concessions nationally by \$3,360,000 or 9.6 percent. The effect on individual concessions would vary. The greatest increase in revenue would be experienced by campground concessions that involve camping exclusively or predominantly.

Cost of Not Modifying the Camping Fee Discount at Campground Concessions

From 2001 to 2006, a review of data from the National Recreation Reservation Service (NRRS) indicated that approximately 7.4 percent of camping nights reserved through the NRRS were sold at a discount to seniors. By 2007, discounted use increased to 11.4 percent. According to census estimates, as Baby Boomers reach the age of 62 starting in 2008, the number of seniors eligible for the Senior Pass will increase by 50 percent from 46.7 million in 2008 to 70.7 million in 2022. This represents an average annual rate of increase of 3 percent per year. The number of discounted camper nights may therefore increase to approximately 17 percent by 2022 assuming current participation rates by seniors in national forest recreation.

In 2007, the estimated cost to campground concessioners to provide the 50 discount on camping fees was \$4,000,000. That cost could increase to \$6,000,000 by 2022. To meet operating costs, these increased costs would require a corresponding increase in camping fees for non-seniors, who represent a shrinking percentage of the population compared to seniors.

Cost of Requiring Concessioners to Provide a 10 Percent Discount at SARF Day Use Sites to Holders of Golden Age and Golden Access Passports and Senior and Access Passes

In 2007, it is estimated that annual concession revenue for SARF day use sites totaled approximately \$4,200,000; the average fee for SARF day use sites was \$5.85. There are no data on use of Senior and Access Passes at SARF day use sites operated by concessioners, since concessioners are not required to honor these passes at those sites.

However, the Agency believes that the amount of pass use at concession-operated SARF day use sites would be comparable to the amount of pass use at campground concessions, i.e., that 11.4 percent of users of concession-operated SARF day use sites would have senior or disability passes. Based on these figures, the Agency estimates that requiring campground concessioners to provide a discount of 10 percent at SARF day use sites to holders of Golden Age and Golden Access Passports and Senior and Access Passes would result in approximately \$50,000 in lost revenue nationally. This amount could increase to \$75,000 by 2022. Thus, the 10 percent discount at SARF day use sites would result in an overall decrease in concession revenue of 0.14 percent in 2008 and .21 percent by 2022.

Cost of Requiring Concessioners to Offer Free Use at SARF Day Use Sites to Holders of Annual and Volunteer Passes

Based on annual concession revenue for SARF day use sites of \$4,200,000; average day use fees of \$5.85; and 3.2 percent of users holding Annual and Volunteer Passes issued by the Forest Service,² the Agency estimates that requiring campground concessioners to offer free use at SARF day use sites to holders of Annual and Volunteer Passes would result in approximately \$134,000 in lost revenue nationally. Additionally, it is unknown how many national forest visitors have obtained Annual Passes from other Federal agencies. However, if the number of users with Annual Passes reaches 10 percent, annual lost revenue would be approximately \$420,000 nationally. Thus, the decrease in total concession revenue from honoring Annual and Volunteer Passes at SARF day use sites would range from 0.38 to 1.2 percent nationally.

Cost of Increasing the Annual Land Use Fee for Existing Concessioners That Adopt the Proposed Pass Policy

If net revenue would decrease under the proposed directives, existing concessioners may elect not to have their permits amended to include the new requirements in the proposed directives. Net revenue for concessioners who elect to have their permits so amended most likely would increase under the proposed directives. These concessioners proposed their land use fee without taking into account this increase in revenue. Consequently, when revenue for these concessioners increases by more than \$10,000, the land use fee would be increased proportionately, in accordance with the schedule below, for the remaining term of their permit to maintain a fee based on market value.

² There are no data on the number of times annual passes are used at Forest Service recreation sites. The estimate of 2.7 percent is based on the number of annual passes issued compared to the number of senior and disability passes issued.

Increase in Gross Revenue	Percentage of Gross Revenue Added to the Land Use Fee
\$10,000 or less	No change
\$10,001 to \$25,000	+ 0.25
\$25,001 to 50,000	+ 0.5
\$50,001 to 75,000	+1.0
\$75,001 to 100,000	+1.5
Over \$100,000	+2.0

Economic Impact of the Proposed Directives on Small Entities

This analysis takes into account quantitative and qualitative provisions in the proposed directives that would limit the economic effects on small entities, including:

- Allowing existing campground concessioners to choose whether to amend their permit to include the new requirements in the proposed directives or to continue operating under existing requirements for honoring passes.
- Extending the term of expiring permits for one year so that they can be reoffered under the proposed directives.

Generally, campground concessioners would experience a net increase in revenue under the proposed directives. For the campground concession program as a whole, revenue derived from SARF day use sites constitutes an estimated 12 percent of total revenue. Based on this percentage and Forest Service pass data for 2007, providing a 10 percent discount on camping fees to holders of Golden Age and Golden Access Passports and Senior and Access Passes and offering free use to holders of Annual and Volunteer Passes currently would result in a 0.52 to 1.4 percent loss of revenue. This loss of revenue would be offset by the 9.6 percent increase in revenue resulting from the reduction in the discount on camping fees. Thus, the campground concession program as a whole would experience a net revenue increase of approximately 8.2 to 9.1 percent.

The typical effect on a small concession is illustrated in example 1; the typical effect on a large concession is illustrated in example 2. Examples 3 and 6 illustrate atypical situations where a significant amount of revenue is derived from SARF day use sites. Examples 4 and 5 illustrate atypical situations where use of Golden Age and Golden Access Passports and Senior and Access Passes is much higher.

Example 1: The campground concession offers only camping and generates \$100,000. Eleven and four tenths percent of its customers hold Golden Age or Golden Access Passports or Senior or Access Passes.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	6,202	\$15.00	\$93,030	\$15.00	\$93,030	
Golden Age and Golden Access Passports and Senior and Access Passes	798	\$7.50	\$5,985	\$13.50	\$10,773	
Totals	7,000		\$99,015		\$103,803	+\$4,788
Net Change in Revenue						+\$4,788
Surcharge						none

In this example, net revenue would increase by only \$4,788, so no surcharge would be added to the land use fee.

Example 2: The campground concession generates approximately \$1,000,000, of which 15 percent derives from day use and 85 percent derives from camping. Eleven and four tenths percent of campers hold Golden Age or Golden Access Passports or Senior or Access Passes, and 3 percent of day use visitors hold Annual or Volunteer Passes. The current land use fee is 16.75 percent of gross revenue.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	55,818	\$15.00	\$837,270	\$15.00	\$837,270	
Golden Age and Golden Access Passports and Senior and Access Passes	7,182	\$7.50	\$53,865	\$13.50	\$96,957	
Totals	63,000		\$891,135		\$934,227	+\$43,092
DAY USE	Use Days	Current Use Fee		Proposed Use Fee		Change in Revenue/Land Use Fee
No Pass	19,560	\$5.85	\$114,426	\$5.85	\$114,426	
Golden Age and Golden Access Passports and Senior Access Passes	2,605	\$5.85	\$15,239	\$5.27	\$13,728	
Annual and Volunteer Passes	685	\$5.85	\$4,007	\$0	\$0	
Totals	22,850		\$133,672		\$128,154	-\$5,518
Net Change in Revenue						+\$37,574
Surcharge						0.5 percent

In this example, net revenue would increase by \$37,574, and a surcharge of 0.5 percent of gross revenue would be added to the land use fee (the land use fee would be 17.25 percent rather than 16.75 percent of gross revenue).

Example 3: The campground concession generates approximately \$500,000. Fifty percent of the revenue derives from camping, and 50 percent derives from day use; 11.4 percent of campers and day use visitors hold Golden Age or Golden Access Passports or Senior or Access Passes; and 3 percent of day use visitors hold Annual or Volunteer Passes.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	15,703	\$15.00	\$235,545	\$15.00	\$235,545	
Golden Age and Golden Access Passports and Senior and Access Passes	2,021	\$7.50	\$15,158	\$13.50	\$27,284	
Totals	17,724		\$250,703		\$262,829	+\$12,126
DAY USE	Use Days	Current Use Fee		Proposed Use Fee		Change in Revenue/Land Use Fee
No Pass	36,581	\$5.85	\$213,999	\$5.85	\$213,999	
Golden Age and Golden Access Passports and Senior and Access Passes	4,872	\$5.85	\$28,501	\$5.27	\$25,675	
Annual and Volunteer Passes	1,282	\$5.85	\$7,500	\$0	\$0	
Totals	42,735		\$250,000		\$239,674	-\$10,326
Net Change in Revenue						+\$1,800
Surcharge						none

In this example, net revenue would increase by only \$1,800, so no surcharge would be added to the land use fee.

Example 4: This campground concession generates just under \$500,000. Thirty three percent of all campers and day use visitors hold Golden Age or Golden Access Passports or Senior or Access Passes, and 7.9 percent of all day use visitors hold Annual or Volunteer Passes.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	11,875	\$15.00	\$178,125	\$15.00	\$178,125	
Golden Age and Golden Access Passports and Senior and Access Passes	5,849	\$7.50	\$43,868	\$13.50	\$78,962	
Totals	17,724		\$221,993		\$257,087	+\$35,094
DAY USE	Use Days	Current Use Fee		Proposed Use Fee		Change in Revenue/Land Use Fee
No Pass	25,256	\$5.85	\$147,748	\$5.85	\$147,748	
Golden Age and Golden Access Passports and Senior and Access Passes	14,103	\$5.85	\$82,502	\$5.27	\$74,323	
Annual and Volunteer Passes	3,376	\$5.85	\$19,750	\$0	\$0	
Totals	42,735		\$250,000		\$222,071	-\$27,929
Net Change in Revenue						+\$7,165
Surcharge						none

In this example, net revenue would increase by only \$7,165, so no surcharge would be added to the land use fee.

Example 5: The campground concession offers only camping and generates approximately \$100,000. Thirty-three percent of the concession's customers hold Golden Age or Golden Access Passports or Senior or Access Passes. The land use fee is 9.6 percent of gross revenue.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	4,690	\$15.00	\$70,350	\$15.00	\$70,350	
Golden Age and Golden Access Passports and Senior and Access Passes	2,310	\$7.50	\$17,325	\$13.50	\$31,185	
Totals	7,000		\$87,675		\$101,535	+\$13,860
Net Change in Revenue						+\$13,860
Surcharge						0.25 percent

In this example, net revenue would increase by \$13,860, and a surcharge of 0.25 percent of gross revenue would be added to the land use fee. The land use fee would be 9.85 percent rather than 9.6 percent of gross revenue.

Example 6: The campground concession generates approximately \$1,000,000, of which 25 percent derives from day use and 75 percent derives from camping. Additionally, 25 percent of visitors hold Golden Age or Golden Access Passports or Senior or Access Passes, and 6 percent of day use visitors hold Annual or Volunteer Passes. The current land use fee is 16.75 percent of gross revenue.

OVERNIGHT USE	Camper Nights	Current Camping Fee	Current Revenue	Proposed Camping Fee	Potential Revenue	Change in Revenue/Land Use Fee
No Pass	40,000	\$15.00	\$600,000	\$15.00	\$600,000	
Golden Age and Golden Access Passports and Senior and Access Passes	13,333	\$7.50	\$99,998	\$13.50	\$179,996	
Totals	53,333		\$699,998		\$779,996	\$79,998
DAY USE	Use Days	Current Use Fee		Proposed Use Fee		Change in Revenue/Land Use Fee
No Pass	29,487	\$5.85	\$172,499	\$5.85	\$172,499	
Golden Age and Golden Access Passports and Senior and Access Passes	10,684	\$5.85	\$62,500	\$5.27	\$56,305	
Annual and Volunteer Passes	2,564	\$5.85	\$14,999	\$0	\$0	
Totals	42,735		\$249,998		\$228,804	-\$21,194
Net Change in Revenue						+\$58,804
Surcharge						1 percent

In this example, net revenue would increase by \$58,804, and a surcharge of 1 percent of gross revenue would be added to the land use fee (the land use fee would 17.75 percent rather than 16.75 percent of gross revenue).

Significance of Impacts and Number of Affected Entities

Based on this analysis, campground concessioners are likely to experience a net increase, rather than a net decrease, in revenue from implementation of the proposed directives. If

existing concessioners would experience a net decrease in revenue, they could elect not to amend their permit to include the requirements in the proposed directives.

When permits are reoffered, the Agency would strive to compose the offering so that implementation of the proposed directives would not render a concession uneconomical. Where revenue generated from SARF day use sites is substantial, the prospectus would allow applicants to propose separate percentages of gross revenue for SARF day use sites and camping.

Implementation of the proposed directives would not likely have a significant economic impact on a substantial number of small entities. Rather, implementation of the proposed directives generally would confer a modest economic benefit on campground concessioners.

It is appropriate to propose an increase in the land use fee for the remainder of the permit term for existing campground concessioners who elect to amend their permit to include the requirements in the proposed directives. The increase in the land use fee would compensate for the increase in revenue which these concessioners did not take into account in proposing a land use fee and would ensure that the Federal government continues to obtain market value for use of Federal lands.

Certification Statement

The Forest Service has considered the proposed directives in light of the RFA. No campground concessioner would be likely to experience a net decrease in revenue from implementation of the proposed directives. Rather, based on 2007 data, campground concessioners would be likely to experience a net increase in revenue of 8.2 to 9.1 percent. If existing campground concessioners would experience a net decrease in revenue, they may elect not to amend their permit to include the requirements in the proposed directives.

Based on the foregoing, the Forest Service has determined that the proposed directives would not have a significant economic impact on a substantial number of small entities because the proposed directives would not impose new record-keeping requirements on them; would not affect their competitive position in relation to large entities; and would not significantly affect their cash flow, liquidity, or ability to remain in the market. To the contrary, the proposed directives generally would benefit small businesses that operate and seek to obtain campground concession permits by increasing their net revenue by 8.2 to 9.1 percent.